

MAG MANAGEMENT COMMITTEE MEETING

December 7, 1998
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Frank Fairbanks, Phoenix, Chairman	Mesa: Mike Hutchinson for Charles Luster
Avondale: Ruben Duran for Carlos Palma	*Paradise Valley: Tom Martinsen
Buckeye: Joe Blanton	Peoria: Terry Ellis
*Carefree: Jon Pearson	Queen Creek: Scott Rigby for Cynthia Seelhammer
*Cave Creek: Kerry Dudek	*Salt River Pima-Maricopa Indian Community:
Chandler: Lloyd Harrell	David Easchief
*El Mirage: Jeffrey Love	Scottsdale: Dick Bowers
Fountain Hills: Paul Nordin	Surprise: Mike Branham for Dick McComb
*Gila Bend: Carl Stephani	Tempe: Gary Brown
Gila River Indian Community: Urban Giff	*Tolleson: Ralph Velez
Gilbert: Kent Cooper	Wickenburg: Fred Carpenter
Glendale: Martin Vanacour	Youngtown: Lloyce Robinson
Goodyear: Doug Sanders for Stephen Cleveland	ADOT: Victor Mendez for Mary Peters
*Guadalupe: Luis Gonzales	Maricopa County: Tom Buick for David Smith
Litchfield Park: Robert Musselwhite	RPTA: Ken Driggs

*Those members neither present nor represented by proxy.

OTHERS PRESENT

Eric Anderson, MAG	Jeff Kulaga, Scottsdale
Lindy Bauer, MAG	Jeff Martin, Mesa
James M. Bourey, MAG	Ken Martin, Glendale
Peggy Carpenter, Scottsdale	Dennis Mittelstedt, FHWA
Valerie Day, MAG	Chris Plumb, MCDOT
Kathy DeBoer, WestGroup	Art Rullo, MAG
Chuck Eaton, ADOT	Tami Ryall, Gilbert
John Farry, MAG	Audrey Skidmore, MAG
Jim Huling, Tempe	Dennis Smith, MAG
John Hunter, Deloitte & Touche	Kelly Taft, MAG
Terry Johnson, MAG	Chris Thomas, Glendale
Bryan Jungwirth, RPTA	Gordon Tyus, MAG
Debbie Kohn, Avondale	Rita Walton, MAG
Carol Kratz, MAG	Paul Ward, MAG
Patrice Kraus, Chandler	Jessie Yung, FHWA

1. Call to Order

The meeting was called to order by Vice Chairman Lloyd Harrell, Chandler, at 2:10 p.m.

Vice Chairman Harrell introduced proxies Victor Mendez for Mary Peters from ADOT, Doug Sanders for Stephen Cleveland from Goodyear, Tom Buick for David Smith from Maricopa County, Mike Hutchinson for Charles Luster from Mesa, and Scott Rigby for Cynthia Seelhammer from Queen Creek.

2. Approval of the November 18, 1998 Meeting Minutes

Mike Hutchinson moved, Ken Driggs seconded, and it was unanimously carried to approve the minutes of the November 18, 1998 Management Committee meeting.

3. Call to the Audience

Vice Chairman Harrell noted that we have a timer to assist the public with their presentations, which have a three minute time limit. When two minutes have elapsed, the yellow light will come on notifying the speaker that they have one minute to sum up. He said that at the end of the three minute time period, the red light will come on. Members of the audience who wish to speak fill out a card and give it to the MAG staff who will bring it to the Chairman.

Vice Chairman Harrell stated that public comment is provided at the beginning of the meeting for non-agenda items. He indicated that for the action items on the agenda, public comment will be taken when the item is heard. Public comments are limited to three minutes.

Vice Chairman Harrell noted that no public comment cards had been turned in.

4. Transportation Planning/Programming Update

James M. Bourey stated that MAG has been working with ADOT and RPTA to arrive at a funding estimate for the Transportation Improvement Plan (TIP). Mr. Bourey stated that a fundamental change will be implemented in the process for allocating available state and federal money for transportation. He said that under this conceptual agreement, ADOT and MAG will work cooperatively along with the other regions in the state to develop an allocation of transportation funding. Mr. Bourey said ADOT, MAG and the other regions in Arizona would develop system criteria on a statewide basis. The criteria would include such considerations as traffic congestion, air quality, growth, maintenance, and vehicle miles traveled. He noted that ADOT felt with the short time frame, that application of this criteria was not possible to implement. Mr. Bourey distributed a table created by ADOT showing two methods for calculating our potential share. Mr. Bourey remarked that Method Two indicating \$797 million total program to MAG came closest to our estimate of our fair share. He mentioned that the ADOT Board received the percentages for the fair share calculations but not with the dollar amounts when the percentages are applied to overall funding.

Mr. Bourey referred to a highway map of potential projects for ADOT funding. He said these necessary projects represent 23.5 percent of ADOT discretionary funding. Mr. Bourey stated that at the State Transportation Board meeting on December 3, 1998, ADOT proposed giving our region an additional \$309 million, or a total of 17.3 percent.

Eric Anderson, referring to the Summary of Preliminary Draft Tentative Program 1999 to 2004 chart, stated that of the \$1.4 billion reported as available in September, \$656 million was designated for the statewide lump sum category. ADOT's current estimate of available funds is \$813 million, of which

an additional \$256 million was allocated to the lump sum category, leaving \$557 million to allocate to projects.

Victor Mendez, referring to the Summary of Preliminary Draft Tentative Program chart, stated that he was unsure of the adjustment of \$233 million referred to in the Maricopa County Adopted Program 1999-2003 to \$227 million referred to in the Maricopa County Adjusted 1999-2003 Program. He commented that some of the set-asides will go to the MAG region. Mr. Mendez stated that ADOT has not agreed on how the criteria would be addressed. Mr. Bourey replied that there is a large amount of money not allocated.

Gary Brown asked for clarification on the original \$1.4 billion figure in available funds. Mr. Bourey responded that in September, Mary Peters, ADOT Director, presented that figure as available to be programmed for projects. However, staff worked through item by item, deducting for lump sum amounts such as ADOT staff, consultants, and newsletters, and came up with a figure of \$952 million that is not assigned to specific statewide projects. Mr. Bourey noted that out of this \$952 million, amounts are obligated for programs such as pavement preservation and bridge inspections. He noted that if we do not have the flexibility in reprogramming the lump sum amounts, only \$628 million would remain for new projects. The amount was further reduced by additional set asides for lump sums to \$557 million.

Mr. Brown stated that we began with \$813 million and now we have \$557 million. Mr. Anderson stated that the difference is an additional \$256 million in set-asides by ADOT. Mr. Brown asked if this indicated another set-aside category? Mr. Anderson stated that it was not but only added dollars to the existing categories. Mr. Brown asked if any projects for the set asides were in Maricopa County. Mr. Bourey replied that there might be a few small projects. Mr. Mendez stated that some of the set asides go to the MAG region. Mr. Bourey commented that MAG staff thinks the pavement preservation allocation may be too high.

5. Review of the Regional Transportation Stakeholder Involvement

John Farry described the enhanced process for public input during this early phase process. He noted that through the enhanced process over 400 people were contacted. The process included focus groups, target stakeholder outreach and general public input.

Mr. Farry introduced Kathy DeBoer, of WestGroup Research, who conducted the focus groups. The focus groups were conducted with residents in the Southwest, Southeast, Central, Northeast, and Northwest MAG Human Services Planning Districts. She said public response was received on the Long Range Transportation Plan, the Transportation Improvement Program, and concerns about funding priorities. She stated the analysis of the focus groups' responses identified concerns in the transportation system as slow moving traffic, dangerous drivers, and an outdated transportation system. Ms. DeBoer remarked that the focus groups felt that traffic would be worse, and that aggressive drivers and air pollution would increase in 20 years. The groups felt that improvements and solutions need to come from a combined use of widespread mass transit, better or more freeways, use of telecommuting, and better planning. Ms. DeBoer remarked that each respondent was given \$10 to spend on whatever category they felt was most important. She noted that of these, improvements to freeways and streets were the highest priority. Respondents felt that transit is necessary, but unlikely to be a solution with a significant impact. She noted that respondents expressed concern with an outdated system with insufficient left turn arrows and bus turnouts. Ms.

DeBoer stated that the public needs to be made aware of the magnitude of the transportation problems as well as the MAG plan. In addition, one plan will not apply to all as different districts have different needs.

John Farry stated that the early phase process culminated on November 18, 1998, with a Regional Stakeholders meeting held to solicit input on future transportation investments for this region. At the meeting a report was made on the focus groups that had been conducted throughout the MAG region. In addition, input was received from the Arizona Department of Transportation, the Regional Public Transportation Authority, modal representatives and community groups. Also, MAG presented potential projects for ADOT funding.

Mr. Farry stated that at the Regional Transportation Stakeholders meeting, priority of issues and criteria related to identified categories were discussed. Transit was the first priority, followed by air quality, freeways, system efficiency, bicycle and pedestrian considerations, welfare to work, and streets.

Bob Musselwhite asked about efforts to involve the general public. Mr. Bourey stated that it is vital to obtain public input from these groups to develop our public communications program and draft plan. He mentioned this public communications plan will be discussed at the Regional Council Retreat in January.

Mr. Brown asked if this information could go to the Board and Citizens Groups of Valley Vision 2025. Mr. Bourey replied it would.

Dick Bowers asked what citizens felt they would be willing to pay to improve transportation. Mr. Farry replied that of their car, their time, or their money, focus group participants would rather spend more time and money and keep their cars.

Chairman Fairbanks asked if there were any further questions. He thanked Ms. DeBoer and Mr. Farry for their reports.

7. Status Update on the June 30, 1997 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report (CAFR) and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 1998 and the Related Management Letter Comments

Paul Nordin moved to approve recommendation on item #7, prior to hearing item #6.

Mr. Bourey stated Art Rullo would give a very short presentation first.

Art Rullo gave a status update of management's efforts to address the June 30, 1997 Single Audit and Management Letter comments. The public accounting firm of Deloitte & Touche LLP has completed the audit of MAG's Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 1998. An unqualified audit opinion was issued on August 28, 1998 on the general purpose financial statements (GPFS) and on the combining and individual financial statements in relation to the GPFS. The independent auditors' report on compliance with the requirements applicable to major federal award programs, expressed an unqualified opinion on the GPFS. The Single Audit report indicated there were no questioned costs. The Single Audit report provided two procedural findings aimed at improving MAG's financial management. These findings

are not considered to be material. During FY 1998, management either resolved, or is currently in the process of addressing, the two findings. Management's responses are incorporated in the report. A Management Letter was also issued under separate cover providing seven recommendations to strengthen and improve areas of MAG's financial operations. No material weaknesses were reported in the letter. During FY 1998, management either resolved or is currently in the process of addressing these comments.

Chairman Fairbanks thanked Mr. Rullo for his presentation. He asked MAG's position on the Y2K issue. Mr. Bourey replied he has received a full report on the issue and is confident all issues will be addressed. Chairman Fairbanks asked the date of compliance. Audrey Skidmore replied the date of compliance is June 30, 1999.

Paul Nordin moved, Martin Vanacour seconded, Victor Mendez did not vote, and it was carried to accept the MAG Comprehensive Annual Financial Report and Single Audit Report for the final year ended June 30, 1998.

6. Transportation Funding Guidelines

Terry Johnson stated that in July, the Regional Council approved refinements to the MAG process for programming transportation funds. One of these refinements was for early guidelines to be established for the selection of projects. He said that to develop these early guidelines, input from the transportation stakeholder process was received and draft funding parameters were developed. The parameters were used to develop draft funding guidelines. These guidelines were reviewed on December 1, 1998, by the Transportation Review Committee (TRC). Mr. Johnson noted that after review of the guidelines, the TRC discussed the guidelines at a special meeting on December 4, 1998. The recommendations after consideration by the Management Committee and the Regional Council Transportation Subcommittee will be presented at the December Regional Council meeting. Mr. Bourey noted that the Draft Policy Guidelines for Programming Regional Transportation Funds handout was updated today.

Terry Johnson noted the six programming parameters for regional commitments are Regionalism, Multimodalism, Air Quality, Congestion, Human Services, and Funding. Specific program objectives are listed for each parameter. He stated the guidelines will be used as guidance to all member agencies for the types of projects selected. Mr. Johnson noted that the guidelines would be used in evaluating project priorities and will be reviewed annually. He said this is a subjective process used by MAG Technical Committees and the TRC to develop a program. Mr. Johnson stated that the TRC could not reach a consensus and the funding objectives will be further considered in January.

Bob Musselwhite stated this is an outstanding job and an improvement over ISTEAs.

Lloyd Harrell stated the TRC did not arrive at a consensus of 70 percent funding for freeways. He noted the dollar amount is the same, but not the percent.

Victor Mendez stated that the guidelines read as a MAG effort. He commented that he does not agree that paragraph 3 is a guideline. ADOT would like needs-driven guidelines.

Mr. Bourey stated that MAG is committed to a cooperative effort. He stated that the Regional Council approved refinements, including development of early guidelines, to the MAG process for

programming transportation funds. Mr. Bourey commented that he welcomes the participation of RPTA and ADOT in funding solutions.

Mr. Bowers asked for clarification in the preface of the draft guidelines of our commitment to cooperate with ADOT and RPTA.

Ken Driggs stated that MAG made a positive decision to pull three years of money into one aggressive statement. He stated transit received a huge amount of money and will have additional money.

Mr. Bourey stated that the wording “fully involving ADOT and RPTA” be added to paragraph three.

Bob Musselwhite moved to recommend acceptance of the draft transportation guidelines, as dated December 7, 1998, with language promoting cooperation with ADOT and RPTA, in the third paragraph of the preface. Mike Branham seconded.

Mr. Harrell asked what item had most discussion at the TRC meeting? Mr. Johnson replied that discussion was held on paragraph #2 of the Regionalism parameter. He mentioned that these are the freeways presented to voters in 1985.

Chairman Fairbanks stated these are guidelines to be used to decide the transportation plan.

Mr. Mendez stated that paragraph #3 in the preface shows intent, not guidelines. Mr. Bourey stated these guidelines would be examined and reviewed every year. Mr. Johnson stated that paragraph #3 was addressed by the TRC.

Mr. Driggs stated that this issue raised by Mr. Mendez is currently being discussed at the MAG and ADOT level. At this point, this is the MAG position and he supports recommending approval with the understanding this will be a cooperative effort.

Mr. Nordin suggested Mr. Mendez suggest a change. Mr. Mendez suggested the second sentence be eliminated, on the basis it is beyond a guideline. Dennis Smith stated that paragraph #3 was a parameter that was moved to the preface at the recommendation of the TRC.

Chairman Fairbanks called for a vote and it was carried to recommend approval of the draft transportation funding guidelines, as dated December 7, 1998, with language promoting cooperation with ADOT and RPTA, in the third paragraph of the preface. Victor Mendez voted no.

Chairman Fairbanks asked if there were any further discussion. Hearing no discussion, and there being no further business, the meeting was adjourned at 3:20 p.m.

Chairman

Secretary